Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

Jan. 26, 2006

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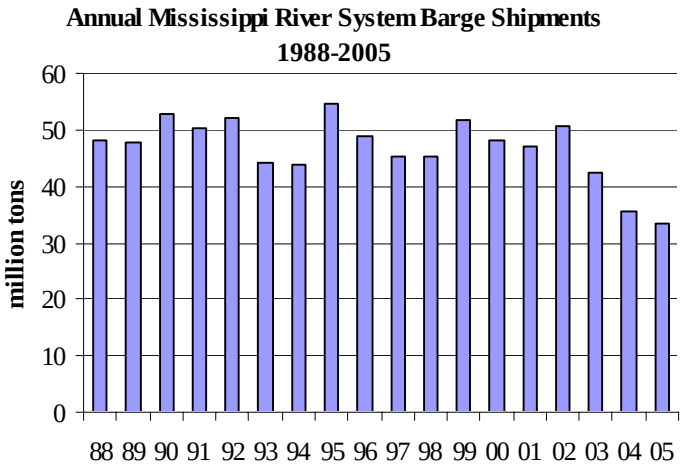
The next release is Feb. 2 '06

More Barges Needed to Move Grain; More Money Needed for Locks and Dams. Less grain moved on the Mississippi River in 2005 than in any year since record keeping began in 1988 (see figure). Grain barges moved 33.4 million tons in 2005, a 22 percent decrease from the 5-year average. Although hurricane-related damage to Mississippi River ports accounts for much of the decline in 2005, the decline began in 2003.



One reason for the drop in barged grain has been increased movement of non-grain commodities—such as imported steel—in covered barges. Barge companies have been expanding barge routes in order to ship a growing volume of non-grain cargo from New Orleans to inland destinations. The extra revenue is welcomed by barge companies, but decreases the availability of barges for grain shippers and raises rates. During 2005, the competition for barge services, coupled with low water conditions and escalating fuel costs, caused an unprecedented surge in barge rates (Figure 5).

Another reason for the decrease in the volume of barged grain is that fewer new barges are being built to replace old barges that are retired, reducing the size of the fleet. Overall, barge demand is expected to remain strong for 2006 as non-grain commodities and grain compete for a smaller fleet of barges. Although some new barges are being built and put into service, the barge industry is concerned about overbuilding the fleet. Should the industry build too many barges, it would return to a situation where supply exceeds demand and rate reductions would result in inadequate returns on investment. In the short term, over-production of new barges is unlikely given the current high cost of steel and limited capacity of barge manufacturers.

In addition to the need for new barges, the barge industry is concerned about the deteriorating condition of the nation's inland waterways. About 53 percent of the locks and dams operated by the U.S. Army Corps of Engineers are older than their 50 year design life. Continued maintenance delays have caused infrastructure failures that have halted or delayed traffic at many locks. According to the Inland Waterways Users Board (IWUB) "additional Federal General Treasury revenues should be appropriated for the Civil Works program over the next several years to reduce the large maintenance backlog." While the Corps received a higher level of funding for FY2006, multi-year increases are needed. The IWUB is composed of 11 members from the barge industry. The IWUB makes recommendations to Congress regarding construction and major rehabilitation investments and spending levels on the commercial navigation features of the inland waterways system. The IWUB is expected to complete its next report to Congress in March. For more information on the IWUB, visit, http://www.iwr.usace.army.mil/newusersboard/. *nick.marathon@usda.gov*

Grain Transportation Indicators

Table 1--Grain transport cost indicators*

	Truck	Rail**	Barge	Ocean	
Week ending				Gulf	Pacific
01/25/06	166	78	213	151	163
Compared with last week	↑	↓	↓	↓	↓

*Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

**The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2--Market update: U.S. origins to export position price spreads ($/bushel)

Commodity	Origin--destination	1/20/2006	1/13/2006
Corn	IL--Gulf	-0.66	-0.65
Corn	NE--Gulf	-0.85	-0.82
Soybean	IA--Gulf	-0.98	-0.99
HRW	KS--Gulf	-0.79	n/a
HRS	ND--Portland	-1.47	n/a

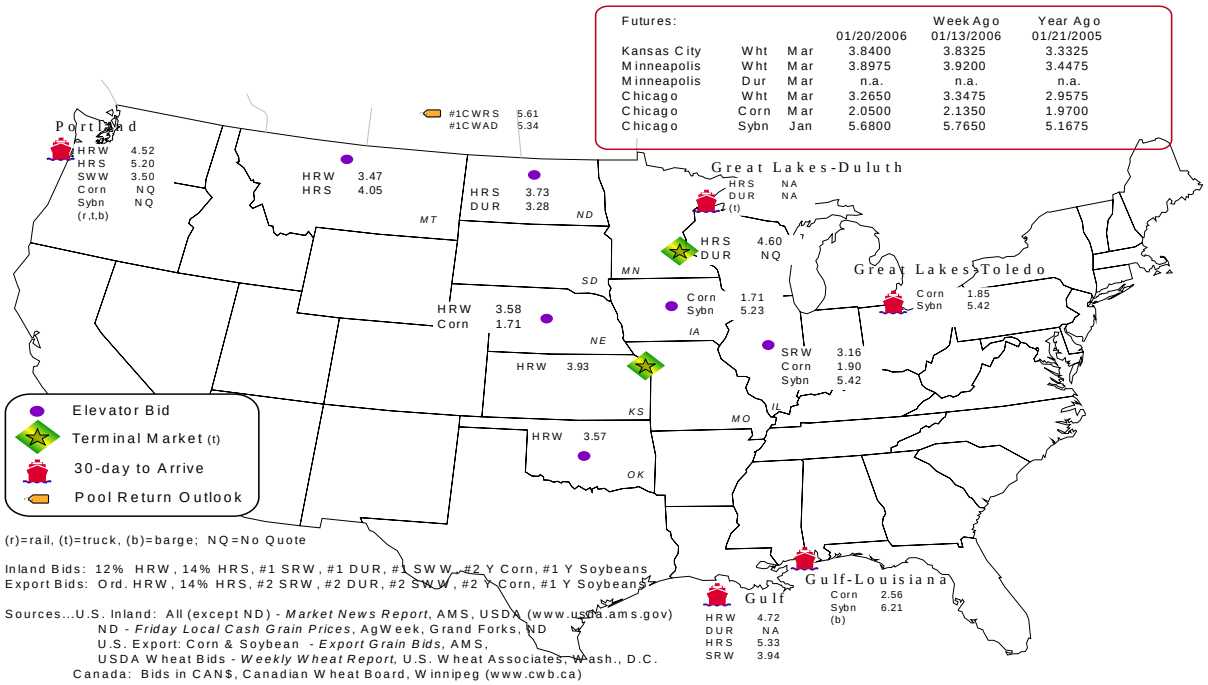
Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1

Grain bid summary



Rail Transportation

Table 3--Rail deliveries to port (carloads)*

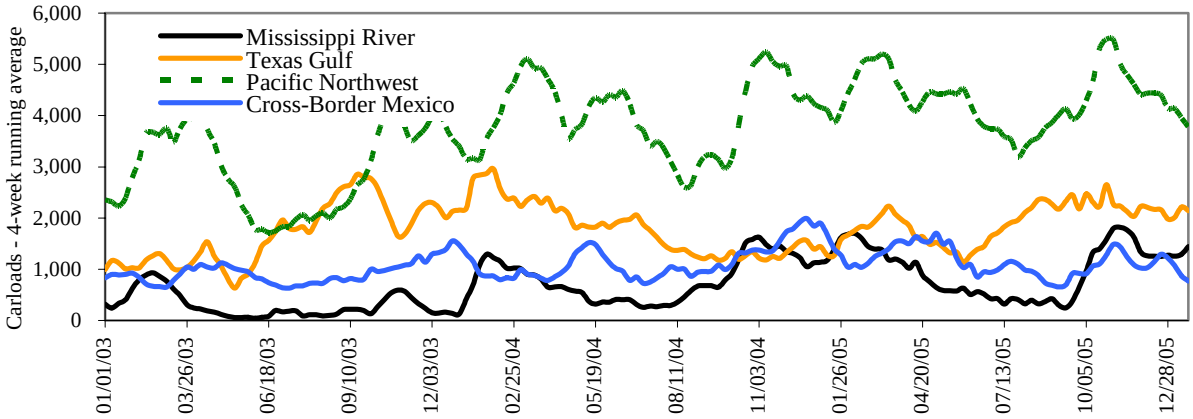
Week ending	Mississippi Gulf***	Texas Gulf	Cross-Border Mexico****	Pacific Northwest	Atlantic & East Gulf	Total
1/18/2006[p]	2,097	2,026	990	3,800	209	9,122
1/11/2006[r]	1,238	2,444	244	3,981	668	8,575
2006 YTD	4,647	6,771	1,940	11,915	1,397	26,670
2005 YTD	4,396	4,073	4,161	11,518	1,551	25,699
2006 as % of 2005	106	166	47	103	90	104
Total 2005**	50,677	99,864	60,879	223,328	15,752	450,500
Total 2004	43,102	92,073	59,102	209,625	10,986	414,888

(*) Incomplete Data; as of 9/22/04, Cross-Border movements included; (**) Includes 53rd week; (***) Mississippi Gulf data back to January, 2004 from several new sources has been added; (********) **Cross-border Mexico data for 2004 and 2005 has been amended to reflect amendments submitted by our sources.** YTD= year-to-date; p=preliminary data; r = revised data

Railroads originate approximately 40 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

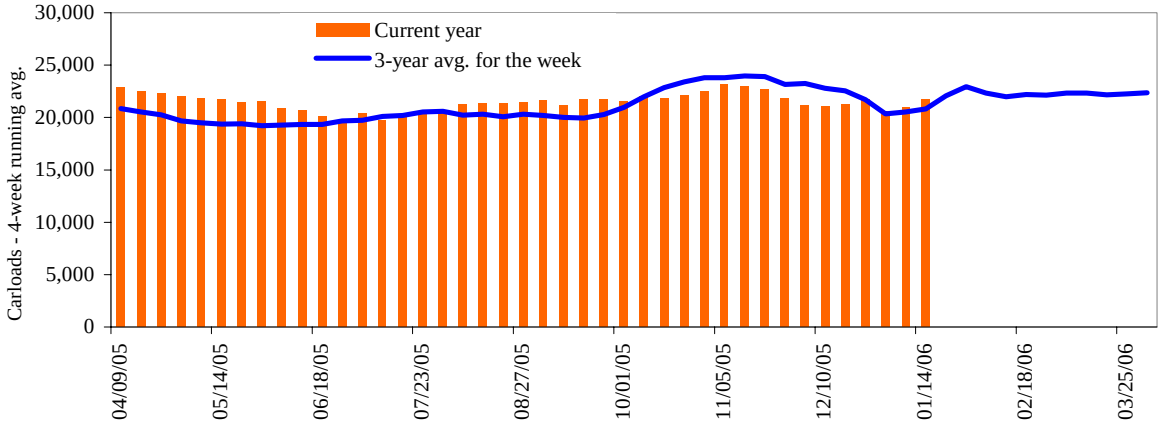
Rail deliveries to port



Source: Transportation & Marketing Programs/AMS/USDA

Figure 3

Total weekly U.S. grain car loadings for Class I railroads



Source: Association of American Railroads

Table 4--Class I rail carrier grain car bulletin (grain carloads originated)

	East		West			U.S. total	Canada	
Week ending	CSXT	NS	BNSF	KCS	UP		CN	CP
01/14/06	3,905	3,397	10,825	638	7,018	25,783	5,564	4,866
This week last year	3,500	4,104	9,347	821	5,880	23,652	4,767	4,047
2006 YTD	7,066	6,964	20,247	1,331	12,820	48,428	10,036	8,246
2005 YTD	6,757	7,588	19,687	1,301	11,131	46,464	9,134	8,613
2006 as % of 2005	105	92	103	102	115	104	110	96
Total 2005	152,060	167,465	476,033	27,459	307,170	1,130,187	225,817	215,145

Source: Association of American Railroads (www.aar.org); YTD = year-to-date

Table 5--Rail car auction offerings*, week ending 01/21/06 ($/car)**

Delivery for:	Mar-06	Apr-06	May-06
BNSF[1]			
COT/N. grain	no offer	no offer	$3
COT/S. grain	no bids	no bids	$26
UP[2]			
GCAS/Region 1	$90	no offer	no offer
GCAS/Region 2	$139	no offer	no offer

*Auction offerings are for single-car and unit train shipments only.

**Average premium/discount to tariff, last auction

[1]BNSF - COT = Certificate of Transportation

N includes: ID, MN, MT, ND, OR, SD, WA, WI, WY, and Manitoba, Canada.

S includes: CO, IA, IL, KS, MO, NE, OK, TX, NM, AZ, CA, UT, and NV.

[2]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

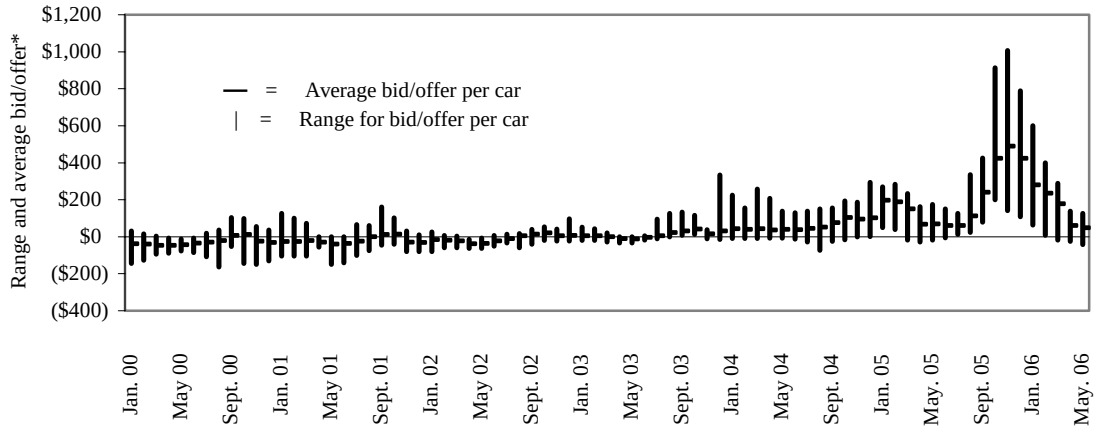
Source: Transportation & Marketing Programs/AMS/USDA

Rail service may be ordered directly from the railroad via **auction** for guaranteed service, or via tariff for nonguaranteed service, or through the secondary railcar market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Secondary rail car market, delivery month-year



*up to 6 months of trading

Source: Transportation & Marketing Programs/AMS/USDA

Average bid/offer is the simple average of all the weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Range for bid/offer shows the range of average weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Table 6--Weekly secondary rail car market, week ending 01/21/06 ($/car)*

	Delivery period			
	Mar-06	**Apr-06**	**May-06**	**Jun-06**
BNSF-GF	$0	-$25	-$42	-$25
Change from last week	-$19	$0	-$17	-$33
UP-Pool	-$17	$0	-$38	-$38
Change from last week	-$17	$0	-$38	$0

*Average premium/discount to tariff, $/car-last week

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
Missing value = no bid quoted; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7--Tariff rail rates for unit and shuttle train shipments*

Effective date: 1/2/2006	Origin Region	Destination Region	Rate/car	Rate/metric ton	Rate/bushel**
Unit train*					
Wheat	Chicago, IL	Albany, NY	$1,861	$20.51	$0.56
	Kansas City, MO	Galveston, TX	$2,020	$22.27	$0.61
	South Central, KS	Galveston, TX	$2,450	$27.01	$0.74
	Minneapolis, MN	Houston, TX	$2,420	$26.68	$0.73
	St. Louis, MO	Houston, TX	$2,360	$26.01	$0.71
	South Central, ND	Houston, TX	$4,261	$46.97	$1.28
	Minneapolis, MN	Portland, OR	$3,963	$43.68	$1.19
	South Central, ND	Portland, OR	$3,963	$43.68	$1.19
	Northwest, KS	Portland, OR	$4,490	$49.49	$1.35
	Chicago, IL	Richmond, VA	$2,161	$23.82	$0.65
Corn	Chicago, IL	Baton Rouge, LA	$2,610	$28.77	$0.73
	Council Bluffs, IA	Baton Rouge, LA	$2,470	$27.23	$0.69
	Kansas City, MO	Dalhart, TX	$2,365	$26.07	$0.66
	Minneapolis, MN	Portland, OR	$3,130	$34.50	$0.88
	Evansville, IN	Raleigh, NC	$1,961	$21.62	$0.55
	Columbus, OH	Raleigh, NC	$1,850	$20.39	$0.52
	Council Bluffs, IA	Stockton, CA	$3,606	$39.75	$1.01
Soybeans	Chicago, IL	Baton Rouge, LA	$2,655	$29.27	$0.80
	Council Bluffs, IA	Baton Rouge, LA	$2,515	$27.72	$0.75
	Minneapolis, MN	Portland, OR	$3,610	$39.79	$1.08
	Evansville, IN	Raleigh, NC	$1,961	$21.62	$0.59
	Chicago, IL	Raleigh, NC	$2,561	$28.23	$0.77
Shuttle Train*					
Wheat	St. Louis, MO	Houston, TX	$1,820	$20.06	$0.55
	Minneapolis, MN	Portland, OR	$3,763	$41.48	$1.13
Corn	Fremont, NE	Houston, TX	$2,304	$25.40	$0.65
	Minneapolis, MN	Portland, OR	$3,024	$33.33	$0.85
Soybeans	Council Bluffs, IA	Houston, TX	$2,412	$26.59	$0.72
	Minneapolis, MN	Portland, OR	$3,170	$34.94	$0.95

*A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

**Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8--Tariff rail rates for U.S. bulk grain shipments to Mexico, 2005

Effective date: 1/02/06

Commodity	Origin State	Border crossing region	Train size	Rate[1]	Rate/metric ton	Rate/bushel**
Wheat	KS	Brownsville, TX	Shuttle	$2,851	$29.13	$0.79
	ND	Eagle Pass, TX	Unit	$4,086	$41.75	$1.14
	OK	El Paso, TX	Shuttle	$2,235	$22.84	$0.62
	OK	El Paso, TX	Unit	$2,432	$24.85	$0.68
	AR	Laredo, TX	Unit	$2,383	$24.35	$0.66
	IL	Laredo, TX	Unit	$3,188	$32.57	$0.89
	MT	Laredo, TX	Shuttle	$3,980	$40.67	$1.11
	TX	Laredo, TX	Shuttle	$2,165	$22.12	$0.60
	MO	Laredo, TX	Shuttle	$2,731	$27.90	$0.76
	WI	Laredo, TX	Unit	$3,405	$34.79	$0.95
Corn	NE	Brownsville, TX	Shuttle	$3,543	$36.20	$0.92
	NE	Brownsville, TX	Unit	$3645*	$37.24	$0.95
	IA	Eagle Pass, TX	Unit	$3,773	$38.55	$0.98
	MO	Eagle Pass, TX	Shuttle	$3040*	$31.06	$0.79
	NE	Eagle Pass, TX	Shuttle	$3440*	$35.15	$0.89
	IA	Laredo, TX	Shuttle	$3,696	$37.76	$0.96
Soybean	IA	Brownsville, TX	Shuttle	$3,318	$33.90	$0.92
	MN	Brownsville, TX	Shuttle	$3,614	$36.93	$1.00
	NE	Brownsville, TX	Shuttle	$3,127	$31.95	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,203	$32.73	$0.89
	IA	Laredo, TX	Unit	$3,357	$34.30	$0.93

A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[1]Rates are based upon published tariff rates for high-capacity rail cars.

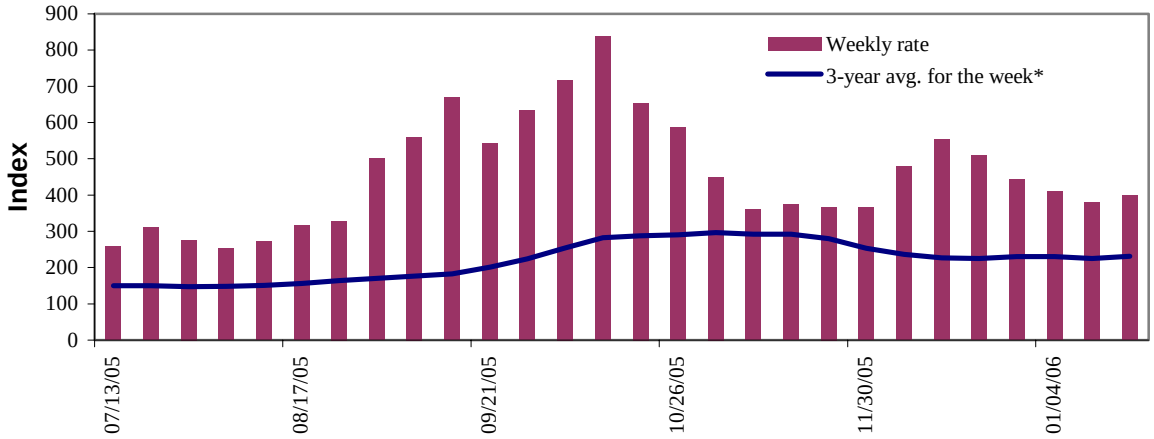
*High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

**Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Sources: www.bnsf.com, www.uprr.com

Barge Transportation

Figure 5
Illinois River barge rate index - quotes



Note: Index = percent of tariff rate; *4-week moving average
Source: Transportation & Marketing Programs/AMS/USDA

The **Illinois River barge rate index** averaged 183 percent of the **benchmark tariff rates** between 1999 and 2001, based on weekly market quotes. The **index**, along with **rate quotes** and **futures market** bids are indicators of grain transport supply and demand.

Table 9--Barge rate quotes: southbound barge freight

Location	1/18/2006	1/11/2006	Feb. '06	Apr. '06
Twin Cities	n/a	n/a	n/a	369
Mid-Mississippi	n/a	n/a	n/a	339
Illinois River	400	379	378	326
St. Louis	393	373	354	310
Lower Ohio	363	373	348	324
Cairo-Memphis	351	358	334	298

Index = percent of tariff, based on 1976 tariff benchmark rate
Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 6).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8).

Figure 6
Benchmark tariff rates

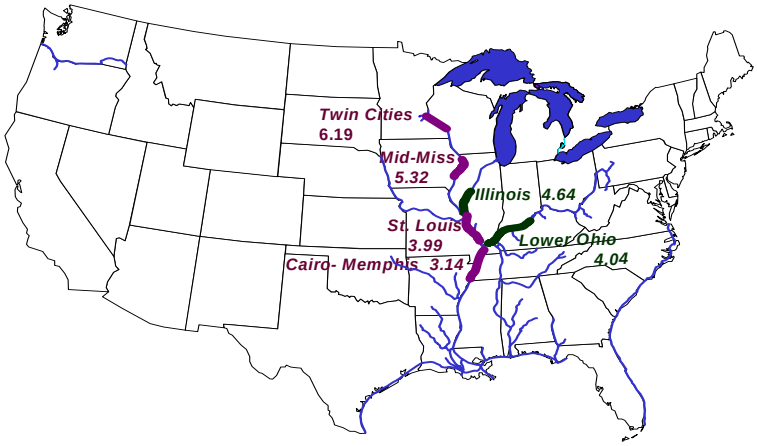
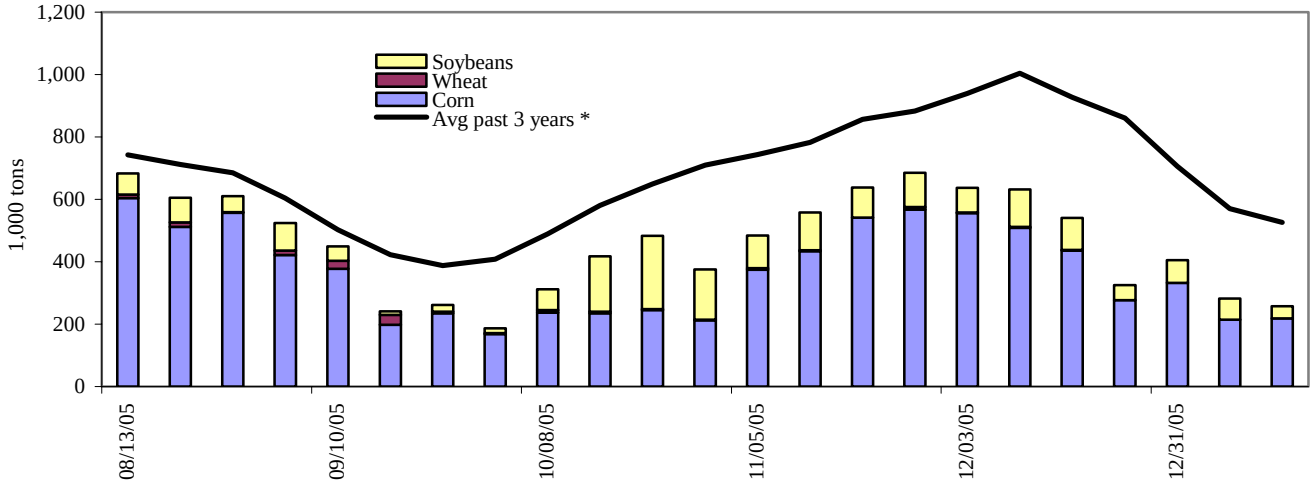


Figure 7

Barge movements on the Mississippi River (Locks 27 - Granite City, IL)



* 4-week moving average

Source: Transportation & Marketing Programs/AMS/USDA

Table 10--Barge grain movements (1,000 tons)

Week ending 1/14/2006	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	0	0	0	0	0
Winfield, MO (L25)	5	0	2	0	7
Alton, IL (L26)	206	0	43	3	252
Granite City, IL (L27)	218	0	39	3	260
Illinois River (L8)	210	2	44	3	259
Ohio River (L52)	182	5	64	2	253
Arkansas River (L1)	0	14	13	16	43
2006 YTD	761	39	294	62	1,156
2005 YTD	819	24	415	40	1,298
2006 as % of 2005 YTD	93	163	71	155	89
Total 2004	26,235	2,701	6,784	843	36,563

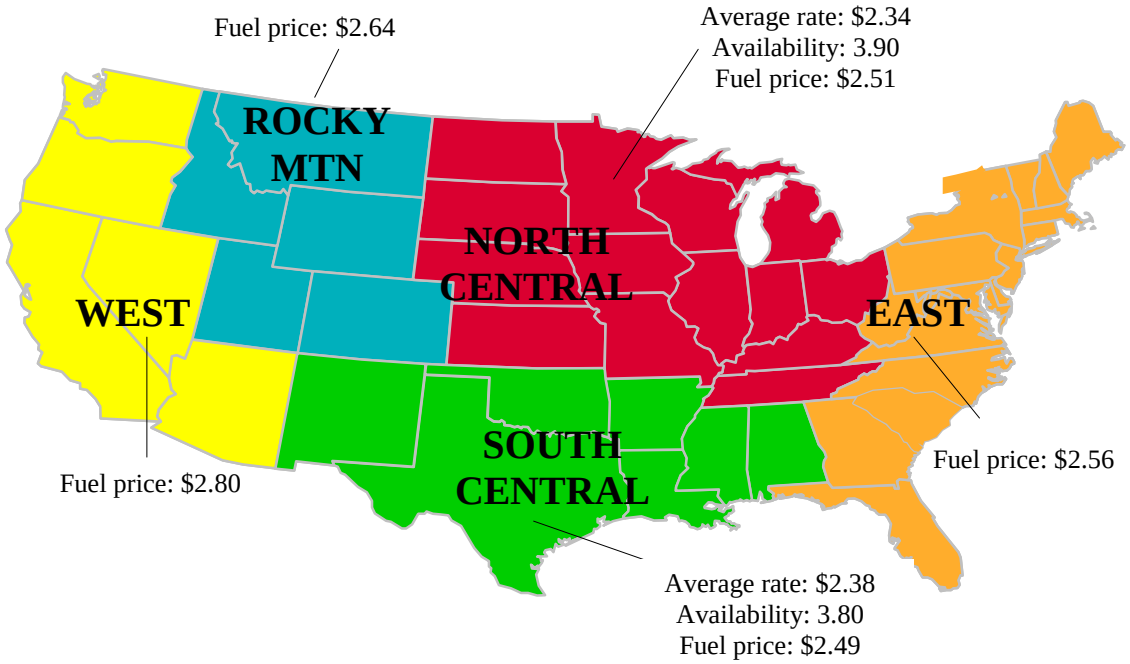
YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

Source: U.S. Army Corp of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Note: Total may not add exactly, due to rounding

Truck Transportation

Figure 8
U.S. grain truck market advisory, 3rd quarter 2005*



*Average rate per loaded mile, based on truck rates for trips of 25, 100, and 200 miles
Note: Fuel prices are a quarterly average (unit per gallon)
Fuel price data source: Energy Information Administration, U.S. Department of Energy, www.eia.doe.gov

Table 11--U.S. grain truck market overview, 3rd quarter 2005

Region	25 miles	100 miles	200 miles	Truck availability	Truck activity	Future truck activity
	[1]Rate per mile			*Rating compared to same quarter last year* 1=Very easy to 5=Very difficult	1=Much lower to 5=Much higher	
National average[2]	**3.16**	**2.38**	**2.04**	**3.6**	**2.9**	**3.2**
North Central region	2.82	2.22	1.98	3.9	2.9	3.2
Rocky Mountain	4.23	2.28	1.96	2.4	2.8	3.2
South Central	2.73	2.28	2.14	3.8	3.0	3.3
West	4.54	3.29	2.65	3.7	3.3	3.0

[1]Rates are based on trucks with 80,000 lb gross vehicle weight limit
[2]National average includes: AR, CO, IA, IL, IN, KS, LA, MN, MS, ND, NE, OH, OK, OR, SD, TX, and WA.
Source: Transportation and Marketing Programs/AMS/USDA

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 12--Retail on-highway diesel prices*, week ending 1/23/06 (US$/gallon)

			Change from	
Region	**Location**	**Price**	**Week ago**	**Year ago**
I	East Coast	2.516	0.027	0.502
	New England	2.668	0.005	0.488
	Central Atlantic	2.610	0.005	0.470
	Lower Atlantic	2.462	0.038	0.517
II	Midwest[1]	2.423	0.015	0.495
III	Gulf Coast[2]	2.432	0.017	0.513
IV	Rocky Mountain	2.435	0.024	0.551
V	West Coast	2.608	0.043	0.581
	California	2.674	0.071	0.606
Total	U.S.	2.472	0.023	0.513

*Diesel fuel prices include all taxes.

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

[1]Same as North Central

[2]Same as South Central

Grain Exports

Table 13--U.S. export balances (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
Week ending 1/	HRW	SRW	HRS	SWW	DUR	All wheat			
1/12/2006	2,319	309	1,067	732	97	4,525	6,184	4,870	15,579
This week year ago	1,448	383	1,230	686	129	3,874	7,157	5,732	16,763
Cumulative exports-crop year 2/									
2005/06 YTD	6,893	1,311	5,010	2,620	516	16,350	17,657	11,848	45,855
2004/05 YTD	6,111	2,472	5,111	3,320	383	17,397	17,798	16,303	51,498
2005/06 as % of 2004/05	113	53	98	79	135	94	99	73	89
2004/05 Total	9,407	3,217	8,083	4,773	686	26,117	44,953	29,878	100,948
2003/04 Total	12,697	3,785	6,928	4,895	1,053	29,359	47,704	24,108	101,171

Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31, 1/ = Current unshipped export sales to date

2/ = Shipped export sales to date

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Figure 9

U.S. grain, unshipped export balance, including wheat, corn, and soybean sales

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 14--Select U.S. port regions - grain inspections for export (1,000 metric tons)

	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region total		
Week ending	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Pacific	Mississippi	Texas
01/19/06	248	177	197	94	639	581	139	0	2	622	1,314	141
2006 YTD	563	473	284	243	1,865	1,401	576	36	10	1,319	3,509	622
2005 YTD	679	453	425	304	1,701	1,889	250	66	0	1,557	3,895	316
2006 as % of 2005	83	104	67	80	110	74	230	54	0	85	90	197
2005 Total *	10,801	10,104	6,225	4,643	27,596	14,793	7,743	810	36	27,130	47,032	8,589

Source: Grain Inspection, Packers and Stockyards Aministration/USDA (www.gipsa.usda.gov); YTD: year-to-date; *includes weekly revisions

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 55 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2004.

Figure 10

U.S. grain inspected for export (wheat, corn, and soybeans)

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Ocean Transportation

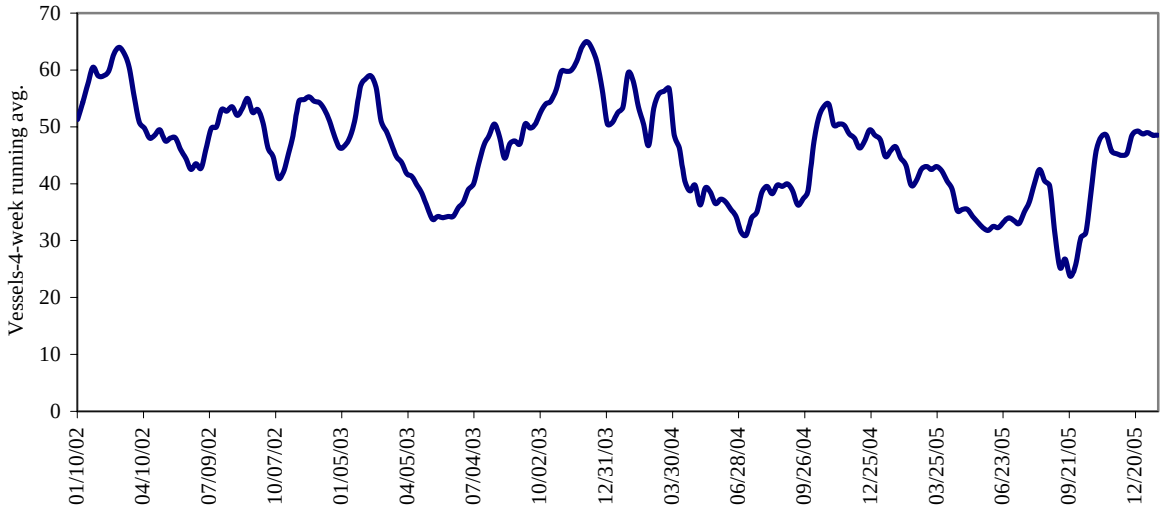
Table 15--Weekly port region grain ocean vessel activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
1/19/2006	20	48	72	12	7
1/12/2006	26	52	69	17	6
2005 range	(11..57)	(10..56)	(18..76)	(2..16)	(0..17)
2005 avg.	27	39	53	9	7

Source: Transportation & Marketing Programs/AMS/USDA

Figure 11

Gulf Port grain vessel loading (past 7 days)



Source: Transportation & Marketing Programs/AMS/USDA

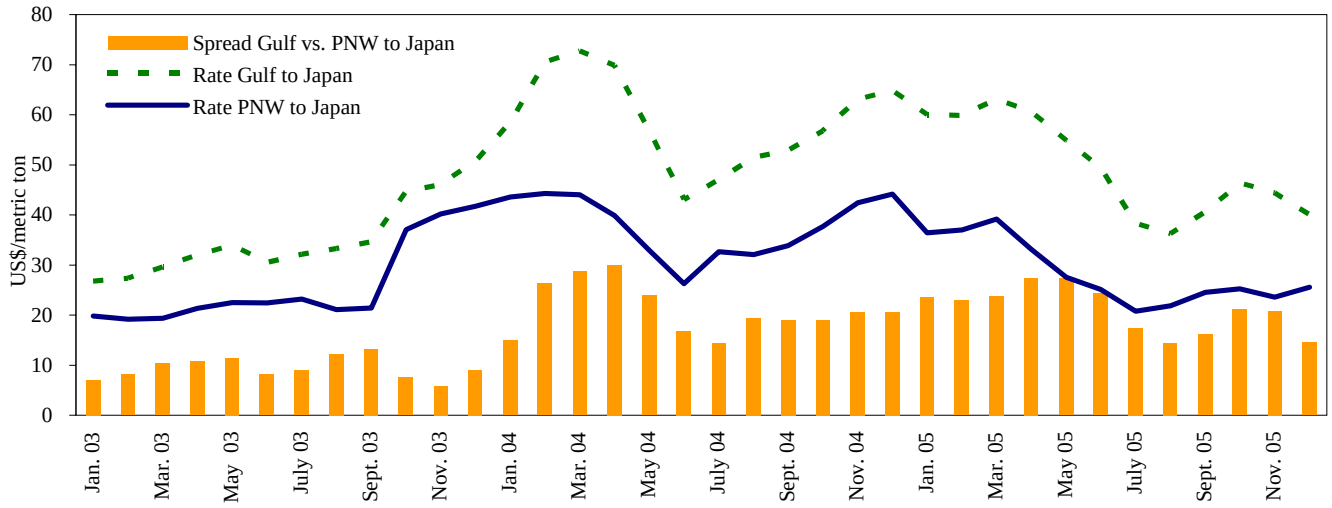
Table 16--Quarterly ocean freight rates (average rates & percentage changes) (US$/metric ton)

Countries/ regions	2005 3rd qtr	2004 3rd qtr	Percent change	Countries/ regions	2005 3rd qtr	2004 3rd qtr	Percent change
Gulf to				**Pacific NW to**			
Japan	36.33	50.08	-27	Japan	---	37.00	---
China		54.00	---	**Argentina/Brazil to**			
Taiwan	---	---	---	China	32.00		
N. Africa	24.25	---	---	N. Africa	40.00	---	---
Med. Sea	---	---	---	Turkey	25.00	---	

Source: Maritime Research, Inc. (www.maritime-research.com)

Figure 12

Grain vessel rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)

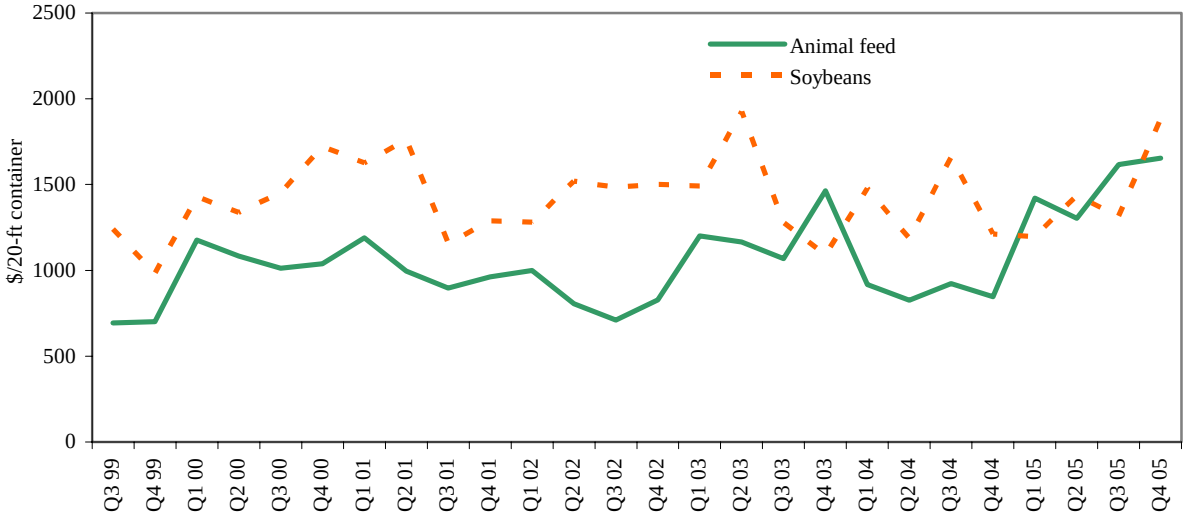
Table 17--Ocean freight rates for selected shipments, week ending 1/21/06

Export region	Import region	Grain	Month	Volume loads (metric tons)	Freight rate ($/metric ton)
U.S. Gulf	Kenya*	Sorghum&Corn	Dec 29/Jan 9	15,450 / 3,200	89.23
U.S. Gulf	Iraq	Wheat	Dec 14/18	50,000	52.50
U.S. Gulf	Japan	Hvy Grain	Jan 25/Feb 5	54,000	37.45
U.S. Gulf	Rotterdam	Hvy Grain	Dec 10/20	65,000	19.70
Australia	Italy	Wheat	Dec 5/25	55,000	26.00
Germany	Tunisia	Barley	Dec 6/12	25,000	24.25
River Plate	Italy	Hvy Grain	Jan 1/5	50,000	34.00
Germany	Spain Mediterranean	Wheat	Jan 1/7	50,000	12.75
Lithuania	Portugal	Wheat	Jan 6/10	25,000	15.00
Romania	Spain Mediterranean	Wheat	Jan 10/17	25,000	15.00
River Plate	Spain	Grains	Jan 25/Feb 10	45,000	29.00
River Plate	Poland	Soybean Meal	Jan 9/10	30,000	37.00

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option
*75 percent of food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.
Source: Maritime Research Inc. (www.maritime-research.com)

Figure 13

Weighted average rates[1] for containerized shipments of animal feed and soybeans to selected Asian countries



[1]Animal Feed: Busan-Korea (12%), Kaohsiung-Taiwan (34%), Tokyo-Japan (35%), Hong Kong (13%), Bangkok-Thailand (6%) and soybeans: Busan-Korea (1%), Keelung-Taiwan (89%), Tokyo-Japan (8%), Bangkok-Thailand (1%), Hong Kong (1%) Quarter 4, 2005.

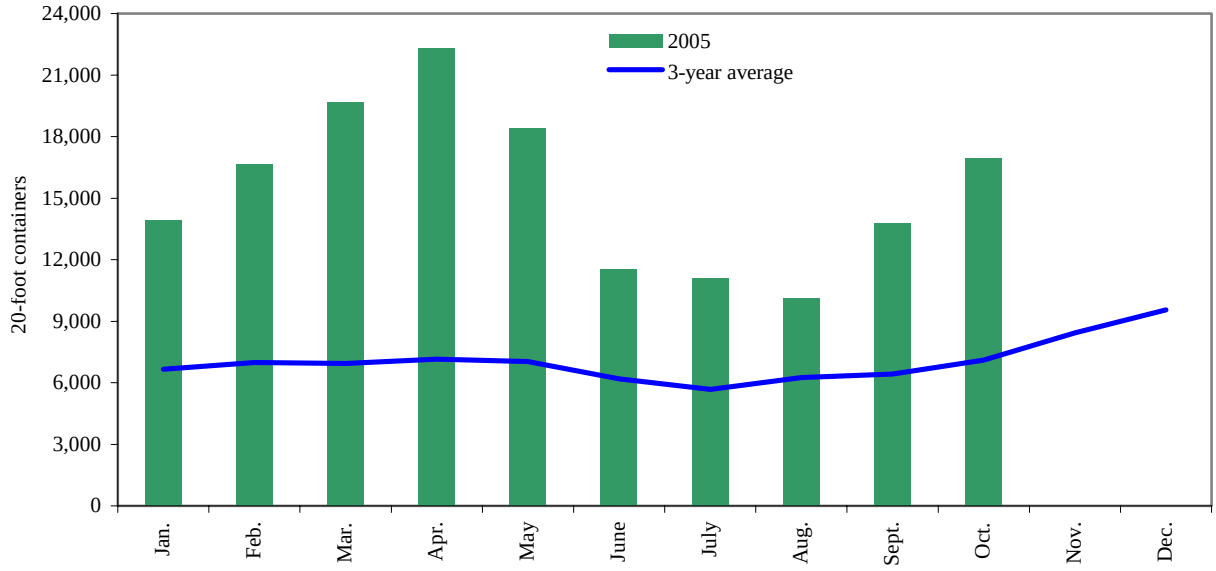
Source: Ocean Rate Bulletin, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2004, containers were used to transport 2 percent of total U.S. grain exported, and 3 percent of total U.S. grain exported to Asia.

Figure 14

Monthly shipments of containerized grain to Asia for 2005 compared with a 3-year average

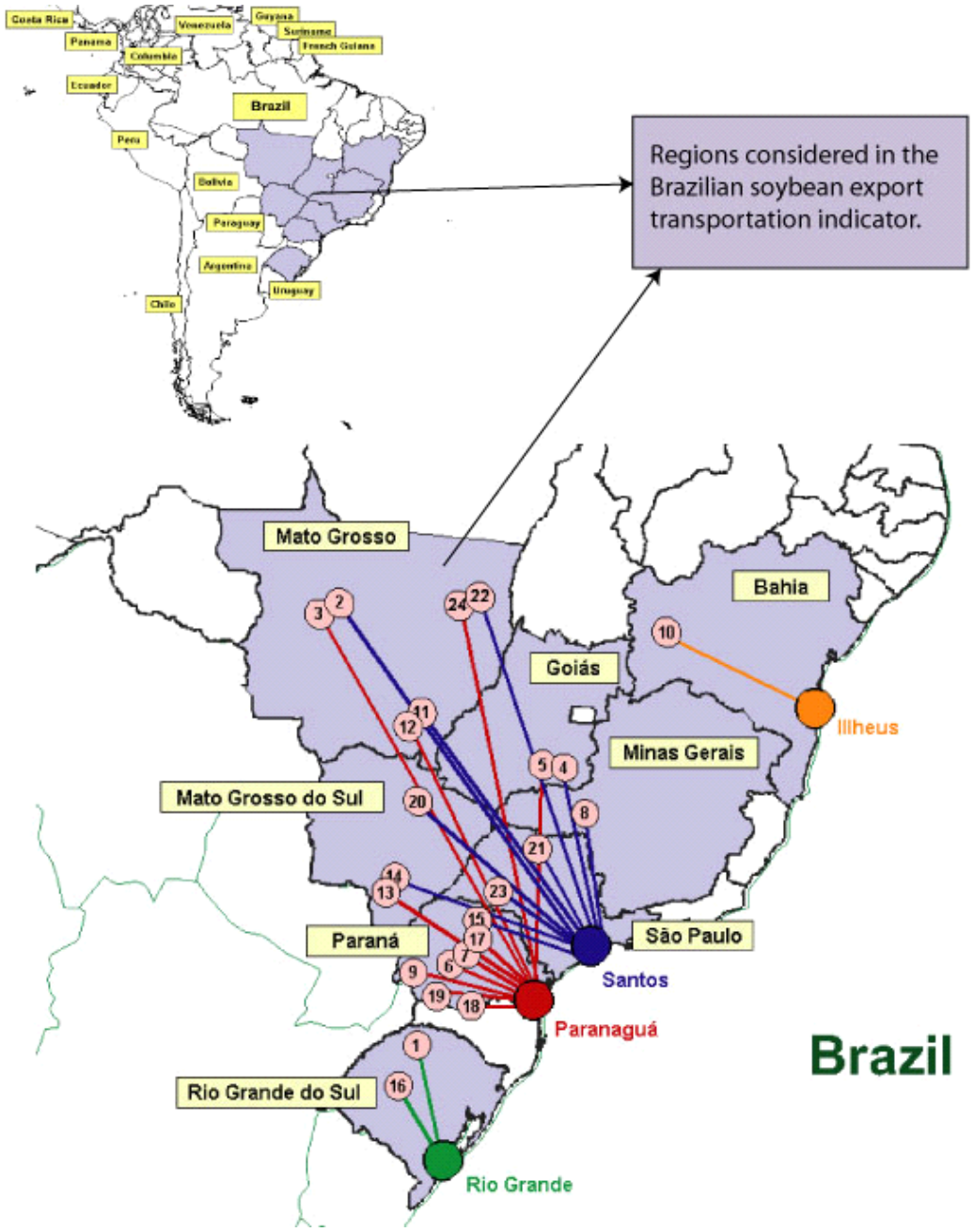


Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

Note: PIERS data is available with a lag of approximately 40 days

Brazil Transportation

Figure 15
Routes and Regions considered in the Brazilian soybean export transportation indicator[1]



[1]Regions comprised 84 percent of Brazilian soybean production, 2003
Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Table 18--Truck rates for selected Brazilian soybean export transportation routes, 3rd quarter 2005

Route #	Origin[1] (reference city)	Destination	Distance (miles)[2]	Weight(%)[3]	Freight price (per 100 miles)[4]
1	Northwest RS[5](Cruz Alta)	Rio Grande	288	16.6	4.39
2	North MT(Sorriso)	Santos	1190	10.1	6.99
3	North MT(Sorriso)	Paranaguá	1262	9.5	6.39
4	South GO(Rio Verde)	Santos	587	7.0	7.13
5	South GO(Rio Verde)	Paranaguá	726	5.6	5.60
6	North Center PR(Londrina)	Paranaguá	268	4.4	8.49
7	Western Center PR(Mamborê)	Paranaguá	311	3.9	5.88
8	Triangle MG(Uberaba)	Santos	339	3.8	9.93
9	West PR(Assis Chateaubriand)	Paranaguá	377	3.7	5.95
10	West Extreme BA(São Desidério)	Ilhéus	544	3.6	7.56
11	Southeast MT(Primavera do Leste)	Santos	901	3.6	6.76
12	Southeast MT(Primavera do Leste)	Paranaguá	975	3.3	6.14
13	Southwest MS(Maracaju)	Paranaguá	612	3.1	5.69
14	Southwest MS(Maracaju)	Santos	652	2.9	5.66
15	West PR(Assis Chateaubriand)	Santos	550	2.5	5.65
16	Western Center RS(Tupanciretã)	Rio Grande	273	2.4	5.60
17	Southwest PR(Chopinzinho)	Paranaguá	291	2.3	8.34
18	Eastern Center PR(Castro)	Paranaguá	130	2.3	9.53
19	South Center PR(Guarapuava)	Paranaguá	204	2.1	8.32
20	North Center MS(São Gabriel do Oeste)	Santos	720	2.0	5.25
21	Ribeirão Preto SP(Guairá)	Santos	314	1.5	7.98
22	Northeast MT(Canarana)	Santos	950	1.4	7.62
23	Assis SP(Palmital)	Santos	285	1.2	8.01
24	Northeast MT(Canarana)	Paranaguá	1075	1.2	6.72
	Average		**626**	**100**	**6.48**

[1]Although each origin region comprises several cities, the main city is considered as a reference to establish the freight price

[2]Distance from the main city of the considered region to the mentioned ports

[3]The weight is directly proportional to the amount of production in each region

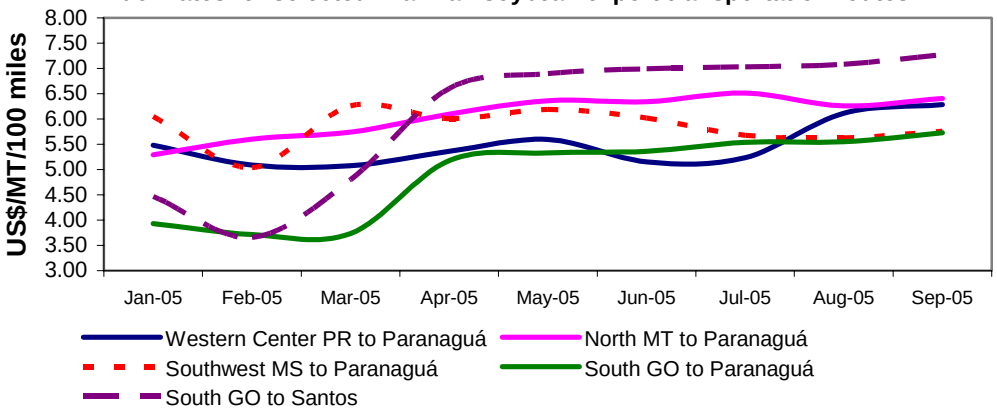
[4]US$ per metric ton (average monthly exchange rate from "Banco Central do Brasil" was used to convert Brazilian reais to the U.S. dollar)

[5]RS = Rio Grande Do Sul, MT= Mato Grosso, GO = Goiás, PR = Paraná, MG = Minas Gerais, BA = Bahia, MS = Mato Grosso Do Sul, SP = São Paulo

Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Figure 16

Truck rates for selected Brazilian soybean export transportation routes



Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

Table 19--Monthly Brazilian soybean export truck transportation cost index

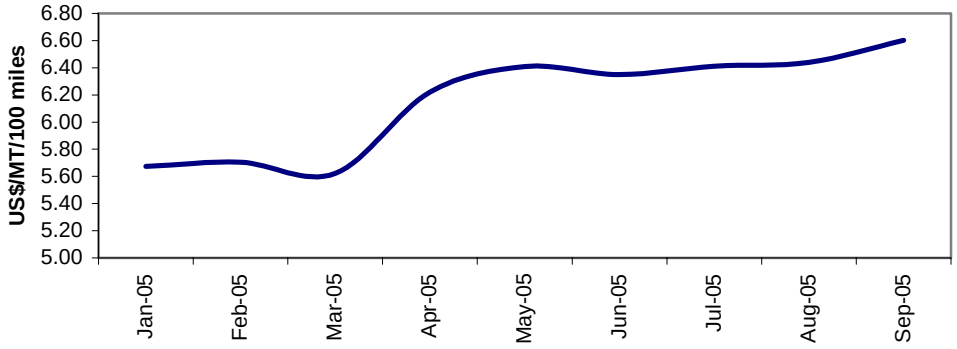
Month	Freight price* (per 100 miles)	Index variation (%) (Base: prior month)	Index value (Base: Jan. 05 = 100)
Jan. 05	5.67		100.00
Feb. 05	5.71	0.5	100.54
Mar. 05	5.62	-1.5	99.08
Apr. 05	6.22	10.6	109.61
May 05	6.41	3.1	112.96
Jun. 05	6.35	-0.9	111.90
Jul. 05	6.41	1.0	112.99
Aug. 05	6.44	0.4	113.46
Sep. 05	6.60	2.5	116.36

*weighted average and quoted in US$ per metric ton

Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Figure 17

Brazilian soybean export truck transportation weighted average prices, 2005



Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Table 20--Quarterly ocean freight rates for shipping soybeans from selected Brazilian ports to Hamburg, Germany (US$/metric ton)*

Ports	2005 1st qtr	2005 2nd qtr	2005 3rd qtr
Santos	45.53	45.84	44.54
Paranagua	44.64	44.84**	43.54
Rio Grande	44.20	44.39	43.04

*correspond to the average actual values negotiated between shippers and carriers and weighted according to the magnitude of the shipped volumes

Source: Sistema de Informações de Fretes, SIFRECA, ESALQ/USP (University of São Paulo, Brazil)

**Revised figure

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Agricultural Container Indicators	http://www.ams.usda.gov/tmd2/agci/
Ocean Rate Bulletin	http://www.ams.usda.gov/tmd/Ocean/index.asp